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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/617,853	07/17/2000	Thomas C. Naratil	74622-011	8319
21890	7590	08/21/2007		
PROSKAUER ROSE LLP PATENT DEPARTMENT 1585 BROADWAY NEW YORK, NY 10036-8299			EXAMINER COLBERT, ELLA	
			ART UNIT 3694	PAPER NUMBER
			MAIL DATE 08/21/2007	DELIVERY MODE PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/617,853	<b>Applicant(s)</b> NARATIL, THOMAS C.	
	<b>Examiner</b> Ella Colbert	<b>Art Unit</b> 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 30 May 2007.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 18-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 18-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

1. Claims 18-33 pending. Claims 18-24 and 26-33 have been amended this communication filed 5/30/07 entered as Response After Non-Final Action and Request for Extension of Time.
2. The claim objections for claims 18 and 33 have been overcome by Applicants' amendments to the claims and are hereby withdrawn.
3. The 35 USC 112, first paragraph rejections have been overcome by Applicants' amendment and are hereby withdrawn.
4. The 35 USC 112, second paragraph rejections have been overcome by Applicants' amendment and are hereby withdrawn.

### ***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 18-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over "Telrate adds GovPX US Treasury Prices and Information", hereafter Telrate in view of (US 200/0044767) Madoff et al, Madoff.

Claim 18. Telrate discloses, A computer-implemented system for the automated trading of U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instruments, in order to handle an offsetting trade, an offsetting trade being a trade of a financial instrument executed within a predefined period of time of another trade of a same financial

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instrument, comprising: an updatable database for receiving real time price and quantity information pertaining to each of a plurality of financial instruments from a market data feed, -the plurality of financial instruments constituting an offering inventory and each ~ financial instrument is being one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument (page 2, paragraph 2); and a computer implemented system proprietor for automatically (1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining if whether or not the trade to be executed is an offsetting trade, and, (3) if when the trade to be executed is determined to be an offsetting trade, applying a price improvement process to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade, said step of applying the at least one price improvement process comprises the system proprietor (page 1, paragraphs 2, 5, 6 –page 2, paragraph 3). Telerate failed to disclose, capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and computing an improved price for trading the selected financial instrument that is an improvement to the first order price, said improved price is being between the bid price and the offer price; said system proprietor forwarding the offsetting trade to a remote public exchange for execution at the improved price, and updating the database and the offering inventory to reflect transactions forwarded by the system. Madoff discloses, capturing a bid price and an offer price for the selected financial instrument from the offering inventory (page 3,col. 1 [0030]); and computing an improved price for trading the selected financial instrument that is an improvement to the first order price, said improved price is being between the

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bid price and the offer price (page 3, col. 2, [0032]-[0035]); said system proprietor forwarding the offsetting trade to a remote public exchange for execution at the improved price, and updating the database and the offering inventory to reflect transactions forwarded by the system (page 5, col. 1 [0046]-[0048]). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate the teachings of Madoff in Telerate because such an incorporation would allow Telerate to specify a price, a price improvement, and a quantity and match the exposure time specified by the order (see Madoff, col. 1, page 1 [0006]).

Claim 19. Telerate failed to disclose, The system of claim 18, said system proprietor further being for canceling or revising orders. Madoff discloses, The system of claim 18, said system proprietor further being for canceling or revising orders (page 6, col. 1 [0058]-col. 2, line 11).

Claim 20. Telerate failed to disclose, The system of claim 18, -the system notifying a user that an order has been executed. Madoff discloses, The system of claim 18, -the system notifying a user that an order has been executed (page 6, col. 2 [0065] -page 7, col. 1 [0068]).

Claim 21. Telerate and Madoff failed to disclose, The system of claim 18, further comprising an interface for allowing providing a user with the capability to manually update the offering inventory. Official notice is taken that it is old and well known to manually update an offering inventory since the process of updating inventories was first performed manually then became an automated process. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made

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to manually update an offering inventory in view of the fact that it was once a manually process which has been automated.

Claim 22. Telerate failed to disclose, The system of claim 18, said system proprietor automatically updating the offering inventory. Madoff discloses, The system of claim 18, said system proprietor automatically updating the offering inventory (page 3, col. 2 [0036]-page 4, col. 1, line 12)).

Claim 23. Telerate discloses, The system of claim 18, the market data feed is being provided by at least one Interdealer Broker (page 2, paragraph 2).

Claim 24. Telerate discloses, The system of claim 23, the market data feed is being reformatted to record-based data prior to entry into the system (page 2, paragraphs 2 and 3).

Claim 25. Telerate and Madoff failed to disclose, The system of claim 18, further comprising a filter for removing incorrect market data from the offering inventory.

Official Notice is taken that this is old and well known in the art of market data in an Internet or network environment. It would have been obvious to one having ordinary skill in the art at the time the invention was made to have a filter for removing incorrect market data because this would enhance the ability to not have duplicate market data and flush out any inconsistencies in the market data.

Claim 26. Telerate failed to disclose, The system of claim 18, the system proprietor is being operative to determine a derived price for the selected financial instrument, the derived price is being calculated by: (a) determining a spread between a last transaction price and a desired transaction benchmark for the selected financial instrument;

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(b) determining a current existing price of the desired transaction benchmark; and (c) adding the spread to the current existing price of the transaction benchmark. Madoff discloses, The system of claim 18, the system proprietor is being operative to determine a derived price for the selected financial instrument, the derived price is being calculated by: (a) determining a spread between a last transaction price and a desired transaction benchmark for the selected financial instrument; (b) determining a current existing price of the desired transaction benchmark; and (c) adding the spread to the current existing price of the transaction benchmark (page 3, col. 1 [0029]-[0030], page 4, col. 2 [0044]-page 5, col. 1, line 11 and page 5, col. 1 [0045]-[0046]).

Claim 27. Telerate failed to disclose, The system of claim 18, the system proprietor generating a confirmation of the trade after execution thereof. Madoff discloses, the system of claim 18, the system proprietor generating a confirmation of the trade after execution thereof (page 3, col. 2 [0031]).

Claim 28. Telerate and Madoff failed to disclose, The system of claim 18, the system providing the user with the capability to manually enter interfirm or dealer to dealer trades for execution and claim 29. The system of claim 28, the system automatically updating the offering inventory in accordance with the manual trade. Official Notice is taken that it is old and well known in the art to manually enter interfirm or dealer to dealer trades and to update an offering inventory according to a manual trade. It would have been obvious to one having ordinary skill in the art at the time the invention was made because this process was performed manually prior to being performed by any automated process.

Claim 30. Telerate failed to disclose, The system of claim 18, the price of the offsetting trade prior to application of the price improvement process being a national best bid and offer price. Madoff discloses, the system of claim 18, the price of the offsetting trade prior to application of the price improvement process being a national best bid and offer price (page 3, col. [0029]).

Claim 31. Telerate failed to disclose, The system of claim 30, said system proprietor is being further for converting the national best bid and offer price to a derived price in the event the national best bid and offer price is not available. Madoff discloses, the system of claim 30, said system proprietor is being further for converting the national best bid and offer price to a derived price in the event the national best bid and offer price is not available (page 3, col. 1 [0030]).

Claim 32. Telerate failed to disclose, The system of claim 18, offsetting trades are being executed at an execution price and the price improvement process comprising computing an average of the execution prices of a plurality of offsetting trades and applying the average of the execution prices to at least one of the offsetting trades. Madoff discloses, the system of claim 18, offsetting trades are being executed at an execution price and the price improvement process comprising computing an average of the execution prices of a plurality of offsetting trades and applying the average of the execution prices to at least one of the offsetting trades (page 5, col. 1 [0046]-[0048]).

Claim 33. this independent claim is rejected for the similar rationale as given above for claims 18-32.

***Conclusion***



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7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Altomare et al (US 7,249,075) disclosed U.S. Government STRIPS.

### **Inquiries**

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ella Colbert whose telephone number is 571-272-6741. The examiner can normally be reached on Monday, Wednesday, and Thursday, 5:30AM-3:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

August 17, 2007

  
ELLA COLBERT  
PRIMARY EXAMINER